

GENERAL ACCOUNTING OFFICE AUDITS

Senator Proxmire has introduced S. 653, amending the Budget and Accounting Act of 1921. This bill would authorize the Comptroller General to conduct an audit of the accounts and operations of an intelligence agency, when requested by a congressional committee with legislative jurisdiction of that agency. The legislation states this audit shall be conducted notwithstanding the provision of section 8(b) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403).

Section 102(d)(3) of the National Security Act of 1947 (50 U.S.C. 403) charges the Director of Central Intelligence with protecting Intelligence Sources and Methods from unauthorized disclosure. One of the key statutory tools assisting the Director in this pursuit is section 8, which would be severely eroded by enactment of S. 653. Section 8(b) states:

"(b) The sums made available to the Agency may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds; and for objects of a confidential, extraordinary, or emergency nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified."

Officials of GAO have expressed their support for this unique authority.

GAO began auditing CIA's vouchered accounts in 1949, and began an expanded audit in 1959. However, the Agency, with approval of the congressional oversight committees, did not permit GAO to inspect our most sensitive records. As a result of GAO's insistence that it did "not have sufficient access to make comprehensive reviews on a continuing basis that would be productive of evaluations helpful to the Congress," the audit was terminated in 1962. CIA responded by establishing additional internal audit and review procedures, which observe the same audit principles and standards as the GAO.

The Agency believes section 8(b) must not be encumbered in any way. It is extremely important to the Director's ability to protect Intelligence Sources and Methods from unauthorized disclosure. The Agency has always felt that an arrangement could be reached which would comport with GAO audit requirements while not jeopardizing Intelligence Sources and Methods. However, we oppose any legislation which would authorize any additional access to our most sensitive records.